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### SUMMARY

### FAR EAST

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1.

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# SOUTHEAST ASIA

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25X1	FAR EAST
1.	
2.	Chiang Kai-shek prefers to limit troop use to China mainland:
25X1A	Chiang Kai-shek recently told American Minister Rankin in Taipei that Chinese Nationalist forces could play a "decisive part" in defend- ing Southeast Asia by landing on the Chinese
ı	mainland. He also felt that such an operation would greatly reduce Communist chances for a successful attack on Formosa.

The Generalissimo saw "no purpose" in sending Nationalist troops to Indochina. He said that their use in Korea, while providing valuable training and encouraging the surrender of Chinese Communists, could not contribute decisively to events there.

Rankin comments that Chiang, who did not renew his offer of Nationalist troops for Korea, might agree to provide two divisions if they were fully equipped by the UN command upon arrival in Korea.

	SOUTHEAST ASIA
3.	French proposal on repatriation of Nationalists to Formosa rejected:
25X1A	The Chinese Nationalist Government has rejected the French proposal that the first contingent of Chinese to be repatriated to Formosa from Indochina consist of women, children and others unfit for military service, according to the French Foreign Ministry. Taipei has countered with a proposal that at least 2,700 able-bodied men be included in the initial group of 5,000.
	In the French view this would vitiate the purely "humanitarian" basis upon which they believe the project should be undertaken, and might thereby incur such strong objections from Peiping that France might be obliged to delay further repatriation.
	Comment: The internees number about 30,000, of which two thirds are troops, some of them now unfit for military service. The problem of repatriating these internees has been an irritant in French-Chinese relations since the group arrived in Indochina in 1949-50.
4.	Rebel leader reported to have led mixed force into Burma:
25X1A	The American Embassy in Rangoon has been told that Naw Seng, the Kachin rebel leader, has re-entered northern Burma with 1,600 Chinese, Burman and Kachin troops. According to the Burmese Defense Minister visited the threatened area in order to determine the best means of dealing with the "crisis."

Comment: There is considerable evidence that the Chinese Communists have been developing a force for eventual use in Burma under Naw Seng, who has spent the last two and a half years in China.

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Although there is no confirmation of Naw Seng's re-entry into Burma, government authorities have shown renewed concern over the Sino-Burmese border area.

# **NEAR EAST - AFRICA**

5.	General Nagib suspec	ts British economic pressure against Egypt:	
25X1A	ador Caffery that he i	General Nagib believes that Great Britain is putting economic pressure on his government by withholding purchases of Egyptian cotton. In presenting this problem, Nagib told Ambas is disturbed by Egypt's increasingly serious	<b>s-</b>
		The Egyptian Finance Minister, according ry, has protested to the British Embassy against permit cotton purchases by British mills.	
		Comment: The drop in the British demand probably due to the depression in the textile ian prices which are higher than the world market	
		EASTERN EUROPE	
6.	Yugoslav official desc	cribes Bulgarian political situation as unstable:	
25X1A		Yugoslav has stated that the Bulgarian political situation is so unstable that authorities have armed reliable party members to check any possible	
	uprisings,		25X1
	number of sources ov indicate that this pro	Comment: The distribution of arms to ble Bulgarian civilians has been reported by a gram has been intensified, or that the stability me has recently deteriorated.	

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Although overt incidents have been negligible since the spring of 1951, Bulgarian peasants have continued passive resistance to government decrees, and undercurrents of resentment and anti-Sovietism still exist.

### WESTERN EUROPE

25X1A	The Saar Landtag on 27 October approved the election law on its second reading, but adjourned without setting a date for elections
	Minister-President Hoffman doubts that
	the logislature will take any action in the next few days.

7. Saar legislature fails to set date for elections:

According to American officials, Hoffman is anxious to see the French-German negotiations on the Saar end successfully, and is well aware of the gravity of the situation. He will try to obtain permission from French Foreign Minister Schuman to negotiate informally with West German Chancellor Adenauer.

Comment: The setting of an early date for the Saar elections would cause a breakdown of French-German negotiations. The Saar legislature may have delayed action because of the joint statement of 25 October admitting that a unity of views on the Saar's future status had not been achieved, but stating that talks would continue.